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## Investigating the 'Mission and Profit' Paradox: Case Study of an Ecopreneurial Organisation in India

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#### **ABSTRACT**

Based on a case study of a waste management services provider in India, this paper sets out to investigate how an ecopreneurial organisation balances the competing demands of environmental mission and profit generation. Results indicate internal organisational mechanisms, Leadership, and Organisational Processes, are instrumental in achieving the dual goals. The paper highlights the role of contextual factors in supporting such organisations, and in doing so, it responds to the call for research to examine social entrepreneurship in wider contexts including Asia, Latin America, and Africa, to address 'marginalisation' of studies in the field.

#### **KEYWORDS**

Social entrepreneurship; ecopreneur; India; missionprofits paradox; paradoxical leadership; human resource management

## Introduction

Social Entrepreneurship (SE) fills an important gap in solving intractable problems such as poverty alleviation, education, women empowerment, and environmental conservation. With the raison d'etre of achieving altruistic objectives along with commercial viability, the SE sector has seen a significant rise, both in scope and in scale (Agarwal, Bersin, and Lahiri 2018).

A large body of literature on SE focuses on 'hybridity' (Doherty, Haugh, and Lyon 2014; Saebi, Foss, and Linder 2019) and examines it from the lens of Paradox theory (Lewis 2000). The theory argues that organisations are often presented with competing choices, also called paradoxes. Neither of these choices can be rejected, but a juxtaposition of the two may lead to 'tensions.' Organisations that learn to accept and embrace the paradoxes arising out of these tensions, manage them successfully. A better comprehension of how paradoxes are managed by SEs is required and warrants an in-depth investigation into the functioning of a social enterprise. This forms the basis of the present study.

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Weerakoon (2021) reviewed articles published in the Journal of Social Entrepreneurship and found a marked clustering of research from North America and Europe. The author called for research from Asia, Latin America, and Africa to reflect upon the changing ecosystem for social entrepreneurship in emerging economies (Tan Luc et al. 2020; Gupta and Srivastava 2021).

Papers published in this journal examining SEs in India, focus on personality traits of the social entrepreneurs (Jilinskaya-Pandey and Wade 2019); role of networking (Joshi and Khare 2021) and conditions conducive to scaling (Khare and Joshi 2018). Only a handful examine *how* SEs manage the social-commercial paradox (Berglund and Schwartz 2013) and most overlook the contribution of employees and organisational processes. The paper responds to this call.

An offshoot of the SE domain is 'Ecopreneurship'. Recent literature argues that 'ecopreneurship' must receive more attention as a separate domain of study (Galkina and Hultman 2016; Ljungkvist and Andersén 2021).

Based on an in-depth case study of RUR Greenlife, a waste management services provider, this paper sets out to answer the following research questions—How do ecopreneurial organisations manage conflicting goals of mission and profits; what role does leadership and organisational processes play in managing these; and finally, do contextual factors, unique to India, affect these organisations in their pursuit of the dual goals. To answer these questions, the paper draws on Paradox Theory, literature from Human Resource Management and leadership domains and applies it to the emerging field of ecopreneurship in the Indian context.

## Literature review

## Paradox theory and its application in social entrepreneurship

Organisations are presented with competing demands such as the choice between short-term gain and long-term sustainability; economising costs and ensuring quality; exploration for new opportunities and exploitation of current competencies; stability and change. Paradox theory proposes that seemingly incompatible goals can co-exist and that organisations that accept and embrace multiple goals, rather than trying to 'resolve' trade-offs are more successful in managing competing demands (Quinn and Cameron 1988; Lewis 2000).

Paradox theory has been extensively studied in SE research and the management of mission-profits paradox (Cherrier, Goswami, and Ray 2018; Smith and Besharov 2019). Smith et al. (2012) as well as Sarhangi, Mashayekhi and Souzanchi Kashani (2021) suggest that paradoxes can be managed through a strategy of structural differentiation and integration, where the social and commercial units of the enterprise are separated from one another and then made to work together through several collaborative mechanisms. Others such as Siegner, Pinkse, and Panwar (2018) point out that embracing the dual demands simultaneously, rather than separating and then integrating competing logics is more effective. The processes involved in management of paradoxes, arising out of conflicting goals, have not been fully understood and continue to be of interest to SE research (Saebi, Foss, and Linder 2019; Weerakoon 2021).



## Ecopreneurship and the mission-profits paradox

Isaak (1997) defined ecopreneurship as a 'system-transforming, socially committed environmental business characterised by breakthrough innovation' (1) and included Body Shop, and Ben and Jerry's as examples of ecopreneurship, both of which had a clear environmental purpose and a successful business model. In the early discussions on ecopreneurship, these organisations were considered different from SEs as they focussed on earning money by solving environmental problems, while SEs strived to 'fulfil societal goal and secure funding to achieve this' (Schaltegger and Wagner 2011). Gradually as for-profit SEs became dominant, this boundary has blurred. Over time, terms such as 'sustainable entrepreneurship', 'environmental entrepreneurship', and 'ecopreneurship' have been used interchangeably in literature. The review by Antolin-Lopez, Martinezdel-Rio, and Cespedes-Lorente (2019) found that there were 32 definitions explaining the scope of ecopreneur/ecopreneurship suggesting a lack of consensus on what comprises ecopreneurship (Kirkwood and Walton 2014; Gast, Gundolf, and Cesinger 2017).

As noted above ecopreneurs are driven by dual objectives of mission and profits. These goals may not be equally weighted, and while some may prioritise environmental goals over profits in their decision making, (Dixon and Clifford 2007; Kirkwood and Walton 2014; Gast, Gundolf, and Cesinger 2017), others may see working with environmental products/services as a profitable business opportunity (Antolin-Lopez, Martinezdel-Rio, and Cespedes-Lorente 2019; Ljungkvist and Andersén 2021). Understanding how to achieve a balance between the goals, is important to prevent mission-drift and to guard against over-committing to the mission at the cost of financial viability (Scott and Teasdale, 2012; Bruneel et al. 2016). In addition to the mission-profits duality, literature has also identified several paradoxes arising from institutional pressures as well as from internal conflicts (Peattie and Morley 2008; Smith and Besharov 2019).

Theory development in ecopreneurship does not sufficiently explore 'how' the seemingly divergent goals can be balanced (Dixon and Clifford 2007; Soderstrom and Heinze 2021). Further, Mazzei (2017) argues that the nature of the 'tensions' depends on the context, and management of these requires an ability to continuously negotiate competing demands, aligned with contextual factors. In summary, the domain of 'ecopreneurship' has the potential to make substantial theoretical and empirical contributions to knowledge and must be investigated (Galkina and Hultman 2016).

The following sections draw on the SE literature to examine how an ecopreneurial organisation manages competing demands through Leadership (Smith et al. 2012) and Organisational processes (Battilana et al. 2015; Smith and Besharov 2019) and the role contextual factors may play in achieving dual goals.

## Leadership

Much of early literature investigating leadership in SEs has focussed on founders' backgrounds, their motivations, and their ability to network and communicate with diverse stakeholders, often portraying them as heroes (Kirkwood and Walton 2014; Saebi, Foss, and Linder 2019). Leaders, who are usually the founders, are instrumental in ensuring that the SE achieves its dual goals of financial sustainability and mission. How they do so, and how they engage their employees into achieving dual goals of the SE, is not sufficiently addressed in literature (Gupta et al. 2020; Kimakwa, Gonzalez, and Kaynak 2021).

Smith et al. (2012) popularised the 'Paradoxical leadership' model, which identifies skills that SE leaders must possess to manage social and financial demands. These include an acknowledgement of the co-existence of competing objectives (*acceptance*), understanding the potential of each goal (*differentiation*), and an ability to bring together the conflicting goals (*integration*), such that competing goals can be achieved. This ability to embrace, understand and ensure synergies between conflicting goals is found to result in a successful response to management of 'tensions' (Lavine 2014; Hahn et al. 2018; Klonek, Volery, and Parker 2021). Such leadership style, also called the Both/And approach (Smith, Lewis, and Tushman 2016), derives from the cognitive skill of 'paradoxical thinking' (Alfes and Langner 2017; Hahn et al. 2018; Klonek, Volery, and Parker 2021) and is critical to the SE's survival, as it achieves its mission.

Leaders exhibiting paradoxical leadership ensure that there is an organisation-wide 'shared meaning' of the paradox and its management (Lewis 2000; Lavine 2014; Zhang et al. 2015; Al Taji and Bengo 2019). Leaders may adopt diverse strategies to manage this. Sarhangi, Mashayekhi, and Souzanchi Kashani (2021) found that leaders alternated attention between social and commercial divisions of their organisation. They then rotated employees between the two functional teams, thereby developing a shared understanding of the demands of the two divisions. Smith, Lewis, and Tushman (2016) noted that leaders exhibiting the Both/And Leadership style switched focus between different demands in the short term, with the overall intention of achieving dual goals in the long term.

Paradoxical leadership may also be demonstrated by alternating between different management styles. For instance, leaders may at certain times encourage decentralised decision making by providing autonomy to employees. At other times, they may have a directive approach, centred around setting tasks and monitoring actions (Rosing, Frese, and Bausch 2011; Alfes and Langner 2017; Klonek, Volery, and Parker 2021). Galuppo et al. (2019) found that leaders adopted both, a top-down approach, and bottom-up practices, to ensure that organisational members understood and managed the different demands of their organisation. Analysis into paradoxical leadership is missing from the ecopreneurship literature and this study addresses the gap.

## **Organisational** processes

Formal and informal organisational processes can help SEs achieve both mission and revenue goals (Bruneel et al. 2016; Hahn et al. 2018; Smith and Besharov 2019). Pache and Santos (2013) argue that while social welfare logic and commercial logic may seem contradictory, 'selective coupling' of elements from both, in such a way that each goal is at least partially met, makes it possible to manage both demands. Organisations that adopt strict standard operating processes (SOPs) for achievement of social goals and simultaneously keep a tight control over processes, ensure efficiency and can meet their dual objectives. Smith and Besharov (2019) assert that such SOPs and informal structures act as guardrails and assist in decision making by defining boundaries and empowering employees to manage conflicting demands, as they

arise. On the contrary, when structures prioritise one goal over the other, SE's survival is impacted (Bruneel et al. 2016).

As SEs grow, the 'belonging paradox' may emerge. This paradox captures employees' role conflict- are we here to make a difference or are we here to generate revenues (Smith, Gonin, and Besharov 2013). Human Resource (HR) practices play a critical role in embedding the hybridity logic within the organisation, such that employees understand and embrace the duality of goals. Battilana et al. (2015) found that tensions between structurally separated staff (working on either social impact or commercial sustainability), were successfully overcome when institutionalised 'spaces of negotiation' were provided as a mechanism for inter-group and open communication. Hsieh, Weng, and Lin (2018) note that a hybridity logic can be created within the organisation through hiring and socialisation of employees, internal communication, democratic decision making and incentivising employees for achieving mission and commercial goals. Moses and Sharma (2020) found that market logic-based practices (such as compensation and monetary benefits, investments made in development) helped talent acquisition while community logic-based practices (non-monetary benefits, social mission) improved retention, suggesting that SEs need to focus on both types of HR practices to achieve the dual goals.

Literature has called for further investigation into the role of HR practices in the management of paradoxical challenges in SEs (Newman et al. 2018; Napathorn 2018), which is the focus of the study.

## **Contextual factors**

Contextual factors significantly impact SEs, from the stage of idea generation to when they scale for impact and growth (Smith, Gonin, and Besharov 2013; Saebi, Foss, and Linder 2019). Researchers have noted that SEs often devise indigenous business models which align with the socio-cultural factors and with the political and statutory climate. However, these may not be replicable across contexts (Gupta and Srivastava 2021). The cultural norms of different countries can also create a resistance to the growth of SEs (Newth and Woods 2014; Saebi, Foss, and Linder 2019). However, research on the contextual dimensions of SE and how context may affect the organisation's ability to manage the mission-profits paradox, is 'marginalised' focussing largely on developed country contexts (Shockley and Frank 2011; Cherrier, Goswami, and Ray 2018; Weerakoon 2021).

Pastakia (2002) studied ecopreneurship in the Indian context and argued that contextual factors namely, civil society, judicial activism, enabling policies and regulatory agencies had a strong impact on the success of ecopreneurs. Recent research has explored the Indian context (Cherrier, Goswami, and Ray 2018), but there were no studies investigating the management of paradoxes in ecoprenuerial organisations in India.

#### Contribution

This paper examines gaps identified in the preceding sections. First, it investigates the role of leadership in the management of challenges faced by an organisation in its pursuit of scaling for growth and impact. As noted earlier, this has been explored in the SE literature but not in the field of ecopreneurship. Second, the study adds to scholarly literature by examining the influence of organisational processes and HR practices on achievement of dual goals. Third, the study investigates the contextual factors affecting an ecopreneurial organisation and examines how these factors may shape its ability to manage multiple demands (Cherrier, Goswami, and Ray 2018), thereby adding robustness and nuance to the research on ecopreneurship.

## The Indian context

India offers an interesting context for the study of paradoxes in ecopreneurship. The Indian culture is rooted in 'reuse', but the apathy towards waste generation and its disposal, coupled with the lackadaisical attitude of the government authorities, brings unique challenges. However, new legislations and changing attitudes towards the environment have provided an ecosystem to a new class of social entrepreneurs who seek to tackle environmental issues. The waste management industry in India, is projected to be worth \$14 billion by 2025, as reported by the Economic Diplomacy Division (2018). This makes India a compelling context to examine.

Based on the preceding sections, the paper sets out to address the following research questions:

- 1. To investigate 'how' ecopreneurial organisations engage with the mission-profits paradox.
- 1.1. To examine the role of leadership in management of paradoxes within an ecopreneurial organisation.
- 1.2. To investigate how formal and informal organisational processes might help in management of paradoxes.
- 2. To examine the extent to which a developing country context impacts an ecopreneurial organisation and its ability to manage the mission-profits paradox.

## Method

## Research context

The paper is based on a study of RUR Greenlife (rur.co.in), an ecopreneurial organisation in Mumbai, India, comprising ten employees and over two hundred volunteers and green champions. RUR was started in 2005 as a voluntary group and was registered as a for-profit SE in 2009, under the mentorship of UnLtd India. Currently, RUR offers decentralised urban waste management solutions. Its diversified portfolio includes its flagship product- Green Gold Bio Composter, and services such as eco-awareness workshops and collaboration with large companies on Corporate Social responsibility (CSR) and Extended Producer Responsibility (EPR). It has received several national and international awards for its work. RUR's environmental mission is to, 'stop waste going to landfill'. Unlike the SE sector in India, which is dominated by Non-Governmental Organisations (NGOs) that depend on external funding to sustain, RUR is self-reliant and financially viable. It is also an excellent example of Isaak's (1997)



conceptualisation of an ecopreneurial organisation. It is a pioneer in the field and was founded at a time when waste management laws in India were practically nonexistent. Through its products and services, it has had a significant impact in sensitising individuals about waste management and has kept itself financially viable, making it a perfect subject for this study.

## Research design

The research questions seek to gain an insight into 'how' an ecopreneur achieves the organisation's mission while ensuring financial viability. In doing so, an in-depth investigation was necessary. Hence an inductive approach, based on a qualitative case study, was adopted. This is in line with previous research on paradoxes in SE settings (Smith and Besharov 2019).

## **Data collection**

Primary data was collected over a period of 23 months, from a single case-study organisation, through virtual interviews and field visits. Secondary data, in form of internal documents and videos posted on the website, were used in triangulating the primary data. A summary of the data and how these were collected is given below.

#### Interviews

Snowball sampling was used to access the interviewees. The first interview was conducted with the founder-leader in 2019, during which the ongoing 'tensions' between the two seemingly divergent goals were identified. This led to interviewing team members and customers. In line with the suggestion by Saunders, Lewis, and Thornhill (2019) interviewee bias was addressed by providing the interviewees with overarching themes to be covered during the interviews. Initial questions were supplemented with probing questions, and interviewers requested specific examples including projects that the RUR team thought were unsuccessful. Previous studies show that responses to direct questions about paradoxes may elicit a biased response (Mazzei 2017) and hence the word 'challenges' rather than 'paradoxes', was used in the interviews. All the interviews were recorded. Sample interview questions are included in Appendix 1.

## Data analysis

Thematic analysis technique was used to analyse the data. All interviews were transcribed, summarised, and grouped into themes, in line with the research questions.

## Case selection

Three criteria were used for selecting the case- a clear environmental mission, focus on both environmental and economic goals, and a tenure of at least 3 years. Defining clear criteria was important, as previous literature shows that SEs often start with a clear mission of making a difference and have commercial ambitions to ensure sustainability, but during their evolution may find themselves forced to lean towards one of the objectives, causing the danger of either mission drift or financial collapse (Teasdale 2012; Scott and Teasdale 2012; Bruneel et al. 2016). To investigate how an ecopreneurial organisation balances the two objectives required an in-depth study of an organisation that has been reasonably successful in achieving both impact and revenues. Further, the organisation's tenure was an important factor in assessing success, as research shows that a significant percentage of SEs fail in the first 3 years (WEF Forum Report 2017).

## Results and discussion

This section discusses results from the research study, in light of existing literature and addresses research questions posed earlier.

## RQ1.1 to examine the role of leadership in management of paradoxes within an ecopreneurial organisation

The founder-leader adopts a 'paradoxical leadership', style to reconcile dual goals of environmental mission and financial viability. This includes giving autonomy to her staff but being directive when required. The following paragraphs explain this.

## Choosing to be a for-profit SE with diverse offerings

The founder-leader recognised that RUR's mission required wider community participation. In the past, her organisation had provided free cloth/jute bags to customers in the local community, to substitute single-use plastic bags. The customers used these only briefly before reverting to plastic bags. Charging a nominal fee for the bags, motivated customers to use eco-friendly bags for longer. The learning that 'what is given for free is short-term and not valued', the bureaucratic challenges involved in the not-for-profit sector, and support from her entrepreneurial family, all influenced her to set up a for-profit social enterprise.

Having a diverse portfolio of goods and services helps RUR in achieving its dual goals. The Green bio-composter is instrumental in keeping it financially viable and accounts for 70% of RUR's revenues. With every installation of the composter, the RUR team conducts immersive awareness workshops for key stakeholders, thereby delivering on their environmental mission of changing behaviours towards waste management. Working with large corporations on their CSR and EPR initiatives, adds to the revenues and promotes RUR's environmental mission.

## Targeting a niche market

The bio-composter is positioned as a premium, patented, high quality product that comes with a highly differentiated pre-installation service and post-installation support. A customer mentioned:

RUR trains housekeeping staff and residents and monitors the composting process for a whole cycle. This distinguishing feature about RUR attracted us to engage with them.



The product is designed for use in building societies and communities for maximum environmental impact. The project manager explained:

Not everyone has the time, space, money, or the interest to do composting... when 65 households come together and pool in resources... the impact is enormous.

Our price is high because a lot of research goes into it ... But we have to allocate some money for research and eventually the customer has to pay for it... We believe in 'quality'. Rather than selling 1000 tumblers with 90% people not utilising its full potential, we would rather have 100 committed customers

The founder-leader has maintained that the composter should remain a premium product to maintain quality and to ensure environmental impact. This was echoed by another project manager, who noted:

People who have done composting and understand it, appreciate the value of our product and are happy to pay extra for it. These are the people who have not even tried to negotiate on price. With these customers we know there will be a positive impact.

By positioning the bio-composter as a differentiated product, RUR can enhance its impact and remain financially viable.

## Promoting organic growth to avoid mission drift

Rather than expanding rapidly and risking mission drift, innovative solutions were adopted to ensure steady growth. The founder-leader emphasised:

We have grown very organically but we have kept our core purpose very clear- we did not compromise on that.

The marketing manager reflected:

She believes that ethos of the company is critical, and having many people could 'dilute it'...I believe that RUR has been able to achieve what it has because we have been very ethical about the work...she (leader) is strategizing such that she wants to 'create leaders out of her people' and then wants to expand.

When examining RUR's decisions over time, the study found that some of these focussed on social objectives while others prioritised economic objectives. However, on the whole, RUR successfully balanced the two goals.

The following quotes illustrate the mission-profits paradox at RUR and the leader's strategic response to these.

I realise that there are trade-offs... I am against printing flyers [because of the costs associated] but I realise that if we are targeting a market that does not read things on their phones, we have to compromise.

It became a Catch 22 situation for me. It is a green event, and I can not put a one-time disposable posters that says Happy World Environment ... So, instead of saying 'no' to plastic bags we said 'yes' to cloth bags.

An employee explained:

The idea is to make sure that nothing goes to the landfill ... So when we are selecting a project, she (leader) encourages us to select one where even if profits are 10% lesser than expected, it has the potential to create an impact.

The marketing manager explained how RUR managed to overcome a challenge it faced as it started selling its products on an e-commerce platform:

When we sell our product online, we cannot directly contact our customers and train them about using the product. Only 20% of customers call back (potentially affecting the environmental impact). We have introduced a marketing gimmick- activation of warranty through calling us on phone (giving RUR an opportunity to train the customer)- this helps us scale but also to make sure that our work matters.

The examples above demonstrate an acknowledgement and acceptance of paradoxical choices. Sometimes, the responses involved implementing innovative solutions to achieve the dual goals. However, at other times, RUR prioritised one goal over the other in the short term but achieved both goals in the long term.

## Alternating between behaviours and styles

The founder-leader alternates between empowerment and centralised control. RUR team members spoke highly of how she nurtures employees within the organisation and encourages team members to share new ideas. She insists that 70% of each meeting should focus on pitching new ideas, and motivating people. During a visit to the premises, the authors saw her personally serving and sharing lunch with team members, an act associated with respecting individuals in Indian culture. Respondents referred to her as 'purpose-driven', 'inspiring', 'clear' and 'visionary' leader. An employee explained:

She never puts us on the edge ... She would not say you can't do this, instead she will help you out... give constructive feedback... Even criticism comes in a positive way... In emails, she comes back with something positive and then gives some suggestions in a point-wise manner.

Equally, she maintains a close control over organisational affairs. She has instituted review procedures, such as on-going discussions on key performance areas and fortnightly team review meetings, to ensure accountability. During the pandemic, she asked her team members to maintain a weekly work log. She scheduled online meetings to take stock of the work done and provided feedback. The business development manager reflected:

While she is creating leaders out of each person ... if everyone leaves RUR, the work will still go on as she knows everything that is happening.

Confirming existing literature, RUR's leader shows commitment to both goals, rather than looking at them as trade-offs (Lewis 2000; Lavine 2014; Smith, Lewis, and Tushman 2016; Al Taji and Bengo 2019), thereby demonstrating a 'paradoxical leadership' style. This form of leadership involves accepting and embracing conflicting goals as well as devising strategies to manage the paradox. Our findings show that when a leader understands the importance of both goals, they can be successful in managing the paradox.

Literature on how managers can achieve dual goals, focuses on 'separating' (or differentiating) organisational units and subsequently integrating the different objectives of these units, as a way of managing conflicting goals (Battilana et al. 2015; Smith and Besharov 2019). Contrary to the structural separation suggested above, RUR's leader led by the motto 'Mission drives profits', emphasising the need for achieving both environmental impact and revenue generation, simultaneously in decisions. An example of this can be seen in the leader's strategy to focus on a niche customer segment for its premium product (the bio-composter), while reaching out to the lower-income building societies through its CSR activity. Equally, RUR does not sell its product and services to those who may have financial resources but do not show the commitment to use the product as intended.

There is also a realisation that not every project will achieve both goals, simultaneously in the short term, and the leader therefore examines the impact of work by looking at an aggregate of decisions, over a period. In hindsight, a review of decisions taken by RUR team suggests that they have been successful in achieving their dual goals. These findings support the view that not all decisions will simultaneously achieve both mission and commercial goals. Instead, prioritising different goals at different times helps in managing the paradox in the long run (Smith, Lewis, and Tushman 2016; Hahn et al. 2018). This was also noted in the study by Sarhangi, Mashayekhi, and Souzanchi Kashani (2021), which found that the leader could focus on both the commercial and social logic of the organisation by resorting to temporal switching of focus between the commercial and social activities and thereby sending a message to the employees that both the activities were of equal value to the leader.

The founder's leadership style encourages employees to work and take decisions independently, while simultaneously feeling accountable towards achievement of the dual goals. These results add to the literature on ecopreneurship by demonstrating paradoxical leadership, in form of switching between a participative and directive leadership style (Rosing, Frese, and Bausch 2011; Alfes and Langner 2017; Klonek, Volery, and Parker 2021) in the case study organisation. This style has not been explored in SEs in India. This is the first paper to advance theoretical understanding of paradoxical leadership in an ecopreneurial organisation.

## To investigate the role of organizational processes in the management of paradoxes in an ecopreneurial organisation

RUR has SOPs that are used by employees as guidelines to balance the environmental and revenue goals. Two of these are explained below.

First, 'vetting the customer'- involves assessing potential customers on their commitment and resource availability (space, time, and people). This includes an estimation of expected revenues and the environmental impact by a cross-functional team through a series of deliberations and offers a mechanism to ensure that decisions about engaging with a new customer align with both mission and profit goals. Projects are accepted only when the RUR team is assured that both their eco-mission and economic goals will be met. This process of vetting was initiated after RUR's experience with some companies which had bought the biocomposter in bulk, but did not use them 'even to a fraction of their capacity'. The vetting happens even when the capital is invested by large companies as a part of their CSR activity, to support low-income societies. The project manager explained:

We still carefully vet the beneficiary even if the corporate is paying for it, through CSR funds. They must be committed... we are making money on it, but we want to fulfil our mission.

Second is a formal 'order protocol', introduced in 2019. This process has helped in managing customer expectations. The protocol limits site visits and hand-holding sessions and has reduced customers' dependency on RUR thereby increasing efficiency and effectiveness of operations. It optimises staff time on existing projects and empowers customers to take responsibility for their waste. A feedback survey obtained from customers (by the project manager), showed that the quality of customer engagement with composting had gone up since the introduction of the process and had increased RUR's impact and revenues.

The above confirms that formal organisational processes provide mechanisms through which SEs can prevent 'mission drift' (Pache and Santos 2013; Battilana et al. 2015; Smith and Besharov 2019). The two processes together define boundaries for the team and ensure that RUR does not over-commit to one goal and is able to scale for both impact and revenues.

The following paragraphs focus on the HR practices in RUR and their role in the management of paradox.

Hiring at RUR emphasises BOTH passion and expertise. The process involves an indepth interview, aimed at assessing the candidate's passion for the environment and composting. It also includes a site visit. The project manager explained:

If they can stand that (segregation and handling of waste at sites), we know they are waste friendly.

The candidates then write a reflective piece about their visit, which demonstrates their passion as well as the ability to communicate and manage challenges. The candidates also interact with team members to understand the job and RUR's impact. The founder-leader mentioned what she says to potential candidates:

From sweeping the floor, to meeting the clients and signing a contract, you have to do everything because it is part of our work. We work with waste, so it is everywhere. First, you must be comfortable with kachra (waste). When I go somewhere ... if unclean, I pick up a broom and clean it myself.

RUR seeks individuals with technical knowledge. The qualifications of current team members demonstrate an expertise in Environmental & Natural Science, Engineering and Microbiology. The founder-leader explained:

We are focussed on hiring a technically strong team of people because we want to be a very robust technology solution provider... Just being green management friendly does not help us ... It is okay to a point but to scale it is not.

Hiring employees who have both passion and technical skills, sits well with RUR's goals of achieving its mission while being profitable. Having a reputation of being 'experts in the waste management sector' gives RUR the legitimacy to sell an innovative but highly priced product.

New employees are supported by mentors and are encouraged to interact with customers. Working with colleagues, they understand how the team navigates through the 'tensions' between different objectives.

Contrary to common practice in the sector, remuneration at RUR is above the market rate. Annual increments are based on regular performance review sessions. The founder-leader believes that high pay 'signals' to employees that they are valued and that working in RUR can fulfil both their career goals and their passion.

RUR also adopts formal and informal ways of engaging the staff. The informal methods include get-togethers, birthday celebrations, and activities like gardening, voga and hiking trips. These provide employees a chance to know each other, exchange ideas and build cross-functional networks. The formal monthly brainstorming sessions bring together employees from different teams (sales, project, external communication) and provide opportunities for knowledge sharing. For instance, the business development manager, whose function is to find potential customers, learns about the challenges involved in installation and management of a project site. A combination of such formal and informal approaches enables RUR to leverage personal relationships formed through informal networks and share ideas freely in a formal set up, thereby helping employees see different functional perspectives.

These results offer a nuanced understanding of the role of HR practices, in SEs' pursuit of dual objectives, an area that has not been sufficiently discussed in literature (Charles 2021). HR practices have enabled RUR to ensure an 'alignment' between a person's values, career ambitions, passion, and organisation's goals, and thereby helped in limiting attrition, which is a common challenge for the SE sector (Napathorn 2018; Moses and Sharma 2020). In line with previous research which notes that hiring individuals with pro-environmental orientation does not necessarily mean that they would contribute to the economic goals of the organisation (Battilana et al. 2015), the RUR's founder-leader understands that employees, no matter how passionate, need to learn how to balance the organisation's dual objectives. She encourages them 'o'le'rn' this skill through developmental sessions and by supporting them to engage with other team members, through several formal and informal engagement activities, all of which help in creating a common identity (Hsieh, Weng, and Lin 2018). The study also found that RUR's reward practice runs counter to the perception that social enterprises pay poor salaries (Moses and Sharma 2020), revealing that a leader who invests in employees, and signals to them that money and passion can go hand in hand, can ensure engagement of employees in achievement of dual goals. This is an important lesson for ecopreneurs.

In addition, the findings indicate that HR practices of selective hiring, supporting learning and development as well as paying above market rate complemented each other and created synergies, which helped in achieving the dual goals. This 'bundling effect' has been studied extensively in HRM literature (MacDuffie 1995), but not sufficiently in an SE setting, except for Napathorn (2018) who showed that SEs can utilise bundles of HR practices (including recruitment and selection, on-the-job training and intrinsic rewards) to successfully motivate their employees. Napathorn (2018) however, did not elaborate on how bundling might help in achieving the dual goals. The paper

shows that RUR's HR practices complement one another and are designed such that they focus the attention of employees on the dual goals.

In summary, the findings extend previous research by providing evidence on the importance of formal and informal processes as mechanisms through which ecopreneurs can understand, embrace, and balance multiple goals.

## RQ: 2 to the examine the extent to which context impacts an ecopreneurial organisation

Drawing on Pastakia's work (2002), respondents were questioned on the impact of contextual factors on RUR, and the extent to which these influenced its ability to achieve dual objectives. Two factors stood out as key drivers and are discussed below.

## Regulatory policies

Interviewees highlight the importance of local and national legislation in creating an enabling environment for ecopreneurs. For instance, Bombay Municipal Corporation (BMC) rules mandate building societies/establishments generating more than 100 kilos of wet waste in a day, to be responsible for segregating their waste and carrying out composting in their premises. These rules provided a major fillip to RUR's scaling efforts, as its sites grew from a few to about 40 in one year in 2018. With growth in scale came growth in impact, as many of RUR's customers became its ambassadors (Green champions), who spread awareness about RUR's work. Stringent 'Solid Waste Management (SWM) rules' enforced in 2016, plastic ban in the state of Maharashtra in 2018, national ban on single use plastics, enforced in 2022, have all given a boost to the waste management industry in India. The authors observed that the RUR team refers to these legislations as a backdrop for their work in webinars and customer presentations and encourages the audience to engage in composting and management of waste. In addition, EPR and CSR laws have helped in supporting ecopreneurs. EPR law mandates manufacturers to collect and recycle post-consumer plastic and electronic waste. Similarly, Section 135 (1) of the Companies Act 2013, requires large organisations above a certain level of turnover, profits, and net worth, to spend 2% of their profits on CSR initiatives, including social and environmental causes.

RUR works with corporates on their EPR/CSR projects by offering end-to-end waste management solutions. These services generate revenues for RUR and help the organisation in reaching out to the wider community. RUR's collaboration with Tetra Pak is one such example. Through this EPR initiative, RUR worked with local cooperatives to collect cartons, recycle them into composite sheets that can be used to make classroom desks, garden benches and other items, many of which are then donated to local free schools and community areas. The campaign resulted in national and international recognition and provided legitimacy to RUR, by positioning it as an expert/ innovator in the field of waste management.

On the CSR front, RUR has collaborated with companies that provide funds for installation of bio-composter in lower income neighbourhoods and for running immersive workshops on waste management. These initiatives have helped RUR to reach the wider community, while generating revenues.



As the founder-leader noted:

CSR as a law came at a very good time for us as corporates are happy to put some money for good causes.

The respondents also highlighted the paradoxical nature of these policies- On one hand, the laws were progressive, while on the other these were marred by poor implementation and corruption. The founder-leader in her interview explained the contradictions.

The first thing the people at the Govt office gave me was the law book - a small pocket size version which said that you pay Rs 5000 if you mix your waste, and you pay Rs 10000 if you throw something. I wondered why nobody had fined me so far. They said how many people are we going to fine ... if you want to do something, figure it out.

While highlighting the challenges of the waste management in Mumbai, a customer mentioned:

BMC outsources waste disposal to independent contractors, who are supposed to refuse waste disposal for societies that exceed the waste disposal limits. However, by bribing these contractors some societies manage to evade the rules.

While enforcement of policies continues to be a barrier for ecopreneurs, the policies have also raised awareness in the communities and thereby helped RUR in its mission and growth.

In summary, the RUR team noted that regulatory policies have helped in increasing the organisation's revenues and its impact, even though challenges remain.

## Role of civil society

Civil society has been influential in increasing awareness on climate issues. The respondents gave examples of NGOs and citizen groups who work closely with communities across Mumbai on sanitation programmes and exert influence on Urban Local Bodies (ULBs) to make systemic changes. In 2014, the nationwide sanitation campaign- Swachh Bharat mission stirred the 'janandolan (citizen)' movement against waste. This campaign was an inclusive approach to bring together citizens and communities across the country, irrespective of their economic status and backgrounds. All our respondents emphasised that participation of the civil society in waste management provides the necessary ecosystem for companies like RUR to further their mission and growth.

RUR has partnered with citizen groups to increase eco-consciousness. For example, RUR jointly hosted webinars and workshops on environmental issues with volunteering groups and educational institutions, such as 'Inner Wheel Club of Bombay', 'Lions Club', YOUNGO, a youth constituency affiliated to United Nations Framework for Climate Change (UNFCCC) and offered their expertise in waste management to individuals and communities. Although these are free, the interviewees explained that engaging with civil society, particularly during the pandemic has helped them in creating social awareness and indirectly reaching potential customers.

Such workshops often involve volunteers and green champions, who narrate their experiences of working with RUR. This brings credibility to RUR's mission. A customer mentioned how he was inspired during one of the workshops.

I was quite shocked (to see her) put her hands into waste. In front of the housekeeping staff- she would say 'such a beautiful waste'. I used to wonder how she could do that. Later even I started feeling that this waste will give us so much compost and the repulsion went away.

At the same time, some of the respondents lamented that it is not easy for individuals to accept the responsibility for waste management because it is seen as 'filth' and that working with waste requires a behavioural change.

The findings help in extending Pastakia's framework which identifies external and internal contextual factors affecting Indian ecoprenuerial organisations (Pastakia 2002). Contrary to Pastakia, who argued that 'power of judicial activism' was more influential than 'regulatory agencies' and 'enabling policies' in promoting ecopreneurship, this study found that both regulatory policies as well as the civil society have contributed to RUR's growth and its ability to engage in paradoxical choices. The ecosystem for ecopreneurs has substantially evolved since Pastakia's work 2002. For example, CSR and EPR laws have mandated commitment to be made by large corporations and manufacturers to consider social and environmental initiatives. These organisations may not have the requisite human resource and expertise to conceptualise and implement social/environmental impact projects and therefore collaborate with SEs and NGOs. Such alliances can be mutually beneficial as they are a source of funding for SEs, while being the means for fulfilling corporate social responsibility for the corporate sector (Sharma and Bansal 2017; Park, Hwang, and Kim 2018). The authors argue that such partnerships could help both the social sector as well as the private sector, as they pool in their resources to create greater social impact.

Further, this study confirms the role of civil society in providing ecoprenuerial organisations with a supportive ecosystem. Indeed, word-of-mouth publicity by RUR's customers, NGOs, volunteering groups, have all helped RUR and connected them to potential customers. Partnership with like-minded individuals/organisations has increased RUR's environmental reach, while generating revenues, and is an important takeaway for budding ecopreneurs. The findings therefore confirm the role of contextual factors in shaping the opportunities for social entrepreneurship (Newth and Woods 2014; Cherrier, Goswami, and Ray 2018).

The study set out to investigate 'how' paradoxes can be managed in an ecopreneurial organisation and focussed on internal organisational mechanisms of leadership and organisational processes. The study was conducted in an emerging economy and thereby answers the call by Weerakoon (2021) for the need to investigate wider contexts.

The findings show that the founder-leader's decision making, and her leadership style are instrumental in managing the paradox arising out of competing logics of mission and financial objectives. The study also highlights that formal and informal organisational processes play a critical role in developing a shared understanding of the mission-profits paradox within the organisation. They also enable individual team members to accept duality of their objectives and find a balance between the conflicting goals. Finally, it indicates that in the Indian context, paradoxical narratives on waste management co-exist and shape the ecoprenuerial organisation's success in managing dual goals.



#### Limitations and areas for future research

This study was based on one organisation and the data was collected through interviews with the internal stakeholders, volunteers, and customers. The interviews were supplemented with secondary sources of information, but much of the data relied on success stories. To mitigate the potential bias, interviewers requested the interviewees to share examples of unsuccessful projects. Future research could consider a multicase study approach to corroborate the connections found between paradoxes and success of ecopreneurs. Comparison of RUR with a less successful organisation could add further granularity (Bruneel et al. 2016).

In addition, further research could investigate if paradoxes change forms through the life cycle of the organisation by investigating an ecopreneur's journey over a longer period of time. It is possible that paradoxes vary in intensity at different points in time. This has not been studied in literature but can be an important aspect in the study of paradoxes. Literature also points out that the relationship between contextual factors and the SE is not always as a unidirectional one (Galkina and Hultman 2016) and that ecopreneurs can also influence their context. This could be an interesting area to examine for future research.

Further, we did not consider other factors at play, such as interplay of paradoxes, as well as alliance building and networking between NGOs/SEs and Corporates, although previous research points to the need for this (Sharma and Bansal 2017). This could be investigated by future researchers.

## Implications for ecopreneurs

The study offers several takeaways for ecopreneurs. First, they need to acknowledge the presence of mission- profits paradox and embrace it, rather than attempting its resolution. Achieving this balance will ensure that they are contributing towards the goal of mitigating environmental degradation while remaining financially viable. If these ecopreneurs wish to scale for impact and revenue, over-committing to any one goal will be counterproductive and will result in mission drift or demise of the organisation. Instead, by strategizing to manage contradictions and doing so organically, will help them achieve the dual goals. This includes establishing internal organisational mechanisms by way of formal and informal processes, that can instil the values of duality in team members, thereby embedding paradox management in the organisation. Third, ecopreneurs need to understand that contextual factors can influence their ability to fulfil their objectives. Leveraging the ecosystem through local networking and alliance building can help. The growth of the waste management industry in India is imminent. Ecopreneurs can flourish as the socio-political and legal environment matures and continues to provide them with the necessary boost for growth.

## **Conclusion**

Ecopreneurs face the paradoxical challenge of achieving positive environmental impact while ensuring profitability. The paper highlights this challenge. The case study of RUR Greenlife illustrates that the challenge can be managed when the leader

Table 1. A summary of the data collection methods.

Data collection	Number	Brief rationale
Semi-structured interviews with the founder—(Between 60 min and 90 min)	4	To get information about the background of RUR, the founder's journey and leadership challenges in managing both mission and profit goals.
Semi-structured interviews with three team members, including follow up interviews—(Between 60 min and 120 min)	6	To get details on the operational aspects of the organisation, such as how projects are chosen, RUR organisation culture, and challenges faced by the team members in their respective roles.
Semi-structured interviews with customers—(Between 45 min and 120 min)	2	To understand the customers' experience of working with RUR.
Semi-structured interview with volunteers—(Between 35 min and 60 min)	1	To examine the role of volunteers in spreading the environmental mission.
Archival data (Videos and documents submitted for awards)	12	To obtain additional information on the background of RUR, their projects and their focus areas and how these are communicated to external stakeholders.
Participation in an internal review meeting	1	To assess how team members approach their profit and mission goals in their internal meetings.
Site visits	2	To observe the operations and examine the interactions between the RUR team and their customers.

Source: Authors.

accepts the paradox and when this is reflected in their decision making and leadership style. It also shows that formal and informal organisational processes provide mechanisms to ensure shared meaning of paradox management across the organisation, and thereby offers important lessons to ecopreneurs. It adds to the existing literature by showing that contextual factors influence the success of the ecopreneurs and must be considered carefully. Mainstreaming of environmental issues and the impetus on Sustainable Development Goals (SDGs), has provided a fillip to ecopreneurship in India. This paper adds to this field of study.

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## **Disclosure statement**

No potential conflict of interest was reported by the author(s).

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## Data availability statement

The data that support the findings of this study are available from the author, [SK], upon reasonable request.

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## Appendix 1. Sample interview questions

## **Founder**

- Please tell us something about yourself and why and how you decided to start your SE. 1.
- Please tell us about your organisation and its mission?
- What are the key milestones in your journey? 3.
- Describe key successes and failures that RUR has faced in its journey? Examples.
- What are the major challenges that you face as a for-profit organisation with an environment focussed mission. How do you manage the challenges? Examples.
- How has the ecosystem evolved over the last 10 years for small businesses like yours? What support do you get from the government bodies?
- How do you attract, retain, and motivate your staff? What competencies are important for your staff to have? Why?

## **Employees**

- What made you join RUR? Describe the hiring process. 1.
- 2. What is RUR's mission? How has it evolved? How does it fit with your values?
- 3. What are the major challenges that you face in your role? Examples of positive and negative stories.
- 4. Do you have any standardised processes to manage routine challenges?
- What makes you stay in RUR?
- How would you describe the founder's leadership style? Examples. Also, on a scale of 1-5 how would you rate her on the following. Give examples.
  - Encouraging people for bringing in own ideas
  - Empowering the team
  - Establishing routines
  - Monitoring

#### Customer

- 1. How did you decide to work with RUR and what has your experience been like?
- 2. Have you referred RUR to other customers? Examples. If there was one reason you would not recommend them, what would it be?
- 3. What according to you is the social/environmental impact of RUR?
- 4. To what extent do you think the current ecosystem supports companies like RUR?